

SECRET

OGC 73-1576

21 August 1973

MEMORANDUM FOR: Associate Deputy Director for  
Management and Services

SUBJECT: Taxability of Cost of Living Allowances  
for Employees Stationed in the  
United States

REFERENCE: 17 Jul 73 Memo for C/Audit Staff fr  
Asst Gen Coun, Same Subject

25X1A We have once more reviewed the question of the taxability  
of the cost of living allowances which had been granted to employ-  
ees assigned to [REDACTED] We can find nothing in the  
law or background of this situation which would permit us to hold  
other than that these allowances are fully taxable. I believe that  
the sooner the situation is announced and regularized, the better  
prepared all, particularly those on whom the tax will fall, will  
be to meet next April's tax date. In general our experience has  
been that any undue delay in making such a change merely  
compounds the situation. 25X1A

Office of General Counsel

25X1A OGC: [REDACTED] jeb  
cc: C/FR Division  
C/Audit Staff  
OGC chrono

25X1A /subject FEDERAL TAXES

12/31/74

E2 IMPDET  
CL BY SIGNER

OGC Has Reviewed

SECRET